UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the

Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 22, 2008

COMPASS DIVERSIFIED HOLDINGS

(Exact name of registrant as specified in its charter)

Delaware	**0-51937**	**57-6218917**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

COMPASS GROUP DIVERSIFIED HOLDINGS LLC

(Exact name of registrant as specified in its charter)

Delaware	**0-51938**	**20-3812051**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

Sixty One Wilton Road

Second Floor

Westport, CT 06880

(Address of principal executive offices and zip code)

Registrant’s telephone number, including area code: **(203) 221-1703**

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 8 Other Events
Item 8.01 Other Events

On each of January 8, 2008 and January 23, 2008, Compass Group Diversified Holdings LLC (the “Company”) and Compass Diversified Holdings (the “Trust” and, together with the Company, collectively “CODI,” “us” or “we”) filed a Current Report on Form 8-K to report the completion of its acquisition of Fox Factory, Inc. (“Fox”) and the acquisition of Staffmark Investment LLC (“Staffmark”) by its subsidiary CBS Personnel Holdings, Inc., respectively. We are filing this Current Report on Form 8-K to report the audited financial statements of Fox and Staffmark and the unaudited pro forma financial information described in Item 9.01 of Form 8-K, respectively.

Section 9 Financial Statements and Exhibits
Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

23.1	Consent of Hutchinson and Bloodgood LLP
23.2	Consent of Grant Thornton LLP
99.1	December 31, 2006 audited financials and September 30, 2007 interim financials for Fox Factory, Inc.
99.2	December 31, 2006 audited financials and September 30, 2007 interim financials for Staffmark Investment LLC.
99.3	December 31, 2006 Unaudited condensed combined pro forma financials and September 30, 2007 interim condensed combined pro forma financials for Compass Diversified Holdings.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 22, 2008

COMPASS DIVERSIFIED HOLDINGS

By: /s/ James J. Bottiglieri
James J. Bottiglieri
Regular Trustee

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 22, 2008	COMPASS GROUP DIVERSIFIED HOLDINGS LLC
	By: /s/ James J. Bottiglieri
	James J. Bottiglieri
	Chief Financial Officer

INDEX TO EXHIBITS

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Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our report dated December 14, 2007 accompanying the financial statements of Fox Factory, Inc. included in Compass Group Diversified Holdings LLC's and Compass Diversified Holdings' Current Report on Form 8-K dated February 22, 2008. We hereby consent to the incorporation by reference in the Registration Statements of Compass Group Diversified Holdings LLC and Compass Diversified Holdings on Forms S-3 (File No. 333-147218, effective November 7, 2007 and File No. 333-147217, effective November 7, 2007).

/s/ Hutchinson and Bloodgood LLP

Watsonville, California
February 21, 2008

Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our report dated January 14, 2008 accompanying the consolidated financial statements of Staffmark Investment LLC and Subsidiaries included in Compass Group Diversified Holdings LLC's and Compass Diversified Holdings' Current Report on Form 8-K dated February 22, 2008. We hereby consent to the incorporation by reference in the Registration Statements of Compass Group Diversified Holdings LLC and Compass Diversified Holdings on Forms S-3 (File No. 333-147218, effective November 7, 2007 and File No. 333-147217, effective November 7, 2007).

/s/ Grant Thornton LLP

Cincinnati, Ohio
February 22, 2008

Exhibit 99.1

To the Board of Directors
Fox Factory, Inc.
Watsonville, California

We have audited the accompanying balance sheet of Fox Factory, Inc. (a California S-Corporation) as of December 31, 2006 and the related statements of income and retained earnings, and cash flows for the year then ended. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Fox Factory, Inc. as of December 31, 2006, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ Hutchinson and Bloodgood LLP

December 14, 2007
Watsonville, California

FOX FACTORY, INC.

BALANCE SHEETS

	September 30 2007 (Unaudited)	December 31 2006 (Audited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ —	$ 539,665
Accounts receivable, less allowance for doubtful accounts of $143,989 in 2007 and $125,000 in 2006	15,022,932	8,700,535
Inventories	13,971,220	10,490,552
Advances	6,668	6,862
Deferred tax asset, current portion (Note 6)	198,500	315,000
Prepaid expenses and deposits	92,715	89,552
Total current assets	29,292,035	20,142,166
PROPERTY AND EQUIPMENT, at cost		
Shop equipment	4,704,921	3,137,078
Office equipment and furniture	1,970,904	1,705,871
Transportation equipment	532,417	401,902
Leasehold improvements	285,651	255,868
	7,493,893	5,500,719
Less accumulated depreciation	3,161,300	2,673,096
	4,332,593	2,827,623
OTHER ASSET		
Deferred tax asset, less current portion (Note 6)	285,000	185,000
	$33,909,628	$23,154,789

See accompanying notes.

	September 30 2007 (Unaudited)	December 31 2006 (Audited)
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 8,624,653	2,354,288
Accrued wages and payroll taxes	1,702,400	1,905,149
Accrued expenses	1,023,178	2,199,379
Line of credit (Note 3)	2,303,092	—
Current portion of long-term debt (Note 4)	81,061	178,295
Liability under capital lease, current portion (Note 5)	3,368	6,043
Total current liabilities	13,737,752	6,643,154
LONG-TERM LIABILITIES		
Long-term debt, less current portion (Note 4)	1,126,117	588,691
Liability under capital lease, less current portion (Note 5)	—	1,573
	1,126,117	590,264
COMMITMENTS AND CONTINGENCIES (Notes 10, 11 & 12)		
STOCKHOLDER'S EQUITY		
Common stock, No par value, 50,000 shares authorized, issued and outstanding	50,000	50,000
Retained earnings	18,995,759	15,871,371
	19,045,759	15,921,371
	$33,909,628	$23,154,789

FOX FACTORY, INC.

STATEMENTS OF INCOME AND RETAINED EARNINGS

	Nine-Months Ended September 30 2007 (Unaudited)	Nine-Months Ended September 30 2006 (Unaudited)	Year Ended December 31 2006 (Audited)
Sales	$ 75,724,464	$ 64,841,795	$ 87,845,619
Cost of goods sold	54,222,718	44,852,858	61,792,622
Gross profit	21,501,746	19,988,937	26,052,997
General and administrative expense	14,526,054	13,014,728	17,449,522
Income from operations	6,975,692	6,974,209	8,603,475
Other income (expense)			
Interest expense	(85,732)	(126,688)	(151,865)
Other income	740	272	283
Forgiveness of debt	24,000	24,000	32,000
Royalty income	9,075	17,000	27,500
Loss on disposal of property and equipment	—	—	(1,177)
Total other income (expense)	(51,917)	(85,416)	(93,259)
Income before income tax (provision) benefit	6,923,775	6,888,793	8,510,216
Income tax (provision) benefit (Note 6)	(17,300)	24,000	29,200
Net income	6,906,475	6,912,793	8,539,416
Retained earnings, beginning	15,871,371	12,092,989	12,092,989
Stockholder distributions	(3,782,087)	(3,650,187)	(4,761,034)
Retained earnings, ending	$ 18,995,759	$ 15,355,595	$ 15,871,371

See accompanying notes.

FOX FACTORY, INC.

STATEMENTS OF CASH FLOWS

	Nine-Months Ended September 30 2007 (Unaudited)	Nine-Months Ended September 30 2006 (Unaudited)	Year Ended December 31 2006 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 69,900,086	$ 58,763,364	84,891,720
Cash paid to suppliers and employees	(67,340,994)	(58,218,158)	(79,228,850)
Interest paid	(85,732)	(126,688)	(151,865)
Income taxes paid	(800)	(800)	(800)
Net cash provided by operating activities	2,472,560	417,718	5,510,205
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property and equipment	—	—	25,500
Cash paid to purchase property and equipment	(1,993,174)	(1,321,471)	(1,914,483)
Net cash used by investing activities	(1,993,174)	(1,321,471)	(1,888,983)
CASH FLOWS FROM FINANCING ACTIVITIES			
Distributions to stockholder	(3,782,087)	(3,650,187)	(4,761,034)
Decrease in loan from stockholder	—	(212,214)	(212,214)
Proceeds from issuance of long-term debt	620,000	600,000	600,000
Repayments of long-term debt	(155,808)	(70,436)	(116,118)
Net borrowings on line of credit	2,303,092	3,258,534	—
Payments of principal on capital leases	(4,248)	(4,248)	(5,664)
Net cash used by financing activities	(1,019,051)	(78,551)	(4,495,030)
Net decrease in cash and cash equivalents	(539,665)	(982,304)	(873,808)
CASH AND CASH EQUIVALENTS, BEGINNING	539,665	1,413,473	1,413,473
CASH AND CASH EQUIVALENTS, ENDING	$ —	$ 431,169	$ 539,665

See accompanying notes.

	Nine-Months Ended September 30 2007 (Unaudited)	Nine-Months Ended September 30 2006 (Unaudited)	Year Ended December 31 2006 (Audited)
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Net income	$ 6,906,475	$ 6,912,793	$ 8,539,416
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	488,204	394,200	500,904
Forgiveness of debt	(24,000)	(24,000)	(32,000)
Loss on disposal of property and equipment	—	—	1,177
(Increase) decrease in:			
Accounts receivable	(6,322,397)	(6,489,903)	(3,281,472)
Inventories	(3,480,668)	(5,694,966)	(1,482,467)
Advances	194	317	35,904
Deferred taxes	16,500	(24,800)	(30,000)
Prepaid expenses and deposits	(3,163)	44,476	23,671
Increase (decrease) in:			
Accounts payable	6,270,365	6,351,699	96,971
Accrued wages and payroll taxes	(202,749)	(391,876)	185,979
Accrued expenses	(1,176,201)	(660,222)	952,122
Net cash provided by operating activities	$ 2,472,560	$ 417,718	$ 5,510,205

FOX FACTORY, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Fox Factory, Inc. (a California S-corporation), was incorporated in 1978 under the laws of the State of California. The Company is engaged in the manufacture of shock absorbers and other parts for motorcycles, snowmobiles, bicycles, and related equipment under the name of Fox Racing Shox, which are sold throughout the world.

Accounting Policies

Use of Estimates

Preparing the Company's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management believes that the judgments, estimates, and assumptions used in preparation of the Company's financial statements are appropriate given the factual circumstances as of September 30, 2007.

Revenue Recognition

Revenue on sales of shock absorbers and other parts for motorcycles, snowmobiles, bicycles, and related equipment is recognized upon shipment and the collection of the resulting receivables is considered probable.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include all highly liquid investments with original maturities of three months or less.

Bank Sweep Account

The Company has a sweep arrangement with its bank. Under this arrangement, available cash balances are applied against the Company's line of credit. The resulting liability for items outstanding on the bank account are reflected as a line of credit on the Company's balance sheets.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments

The Company's financial instruments include cash and cash equivalents, accounts receivable, accounts payable, and debt instruments. The carrying amounts of these financial instruments approximate their fair value.

Accounts Receivable

Accounts receivable are unsecured customer obligations which generally require payment within various terms from the invoice date. Accounts receivable are stated at the invoice amount. Financing terms vary by customer.

Payments of accounts receivable are applied to the specific invoices identified on the customer's remittance advice or, if unspecified, to the earliest unpaid invoices.

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful accounts is based on management's assessment of the collectability of specific customer accounts, the aging of the accounts receivable, and historical experience. If there is a deterioration of a major customer's creditworthiness, or actual defaults are higher than the historical experience, management's estimates of the recoverability of amounts due the Company could be adversely affected. All accounts or portions thereof deemed to be uncollectible or to require an excessive collection cost are written off to the allowance for doubtful accounts.

Inventories

Inventories include materials, labor, and manufacturing overhead valued at the lower of standard cost (which generally approximates actual cost on a first-in, first-out basis) or market value and consist of the following at September 30, 2007 and December 31, 2006:

	9/30/2007 (Unaudited)	12/31/2006 (Audited)
Raw materials	$10,963,800	$ 8,517,980
Finished goods	2,417,234	1,368,656
Work-in-process	990,186	1,003,916
Inventory reserve	(400,000)	(400,000)
	$13,971,220	$10,490,552

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Research and Development Costs

Research and development costs consist of salaries, contract service fees, travel, materials, and supplies and are charged to expense as incurred.

Income Taxes

The Company has elected to be treated as an S-Corporation. Accordingly, except for a California S-Corporation tax of 1.5%, income taxes on net earnings are paid personally by the stockholder. Deferred income taxes result primarily from (1) the recognition of certain items of expense for income tax purposes in years different from those in which they are recognized in the financial statements, and (2) the availability of tax credit carryforwards for use in future years.

Depreciation

The straight-line and declining-balance methods of depreciation are used over the estimated useful lives of the depreciable assets as follows:

Shop equipment	5 -7 years
Office equipment and furniture	5-7 years
Transportation equipment	5 years
Leasehold improvements	5-7 years

Long-lived assets held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In the event that facts and circumstances indicate that the cost of any long-lived assets may be impaired, an evaluation of recoverability would be performed.

Advertising

Advertising and promotion costs are expensed as incurred. Total costs incurred for advertising and promotion totaled $386,459 and $312,840 for the nine month periods ended September 30, 2007 and 2006, respectively, and $442,257 for the year ended December 31, 2006.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncements

Fin 48

In June 2006, the Financial Accounting Standards Board issued FIN 48, “Accounting for Uncertainty in Income Taxes” (the “Interpretation”). The Interpretation clarifies the accounting for uncertainty in income taxes recognized in accordance with FASB 109, “Accounting for Income Taxes” by defining a criterion that an individual tax position must be met for any part of the benefit to be recognized in the financial statements. The Interpretation is effective for fiscal years beginning after December 15, 2007.

The provisions of FIN 48 are effective for the Company beginning January 1, 2008. The Company has not yet determined the impact of the recognition and measurement provisions of FIN 48 on its existing tax positions. Upon adoption, the cumulative effect of applying the provisions of FIN 48, if any, shall be reported as an adjustment to the opening balance of retained earnings.

FASB 157

On September 30, 2006, the FASB issued SFAS No. 157, “Fair Value Measurements” (SFAS No. 157). This new standard provides guidance for using fair value to measure assets and liabilities as required by other accounting standards. Under SFAS No. 157, fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the reporting entity transacts. SFAS no. 157 must be adopted by the Company effective January 1, 2008, although early application is permitted. The Company is currently evaluating the effects of SFAS No. 157 upon adoption; however at this time it does not believe that adoption of this standard will have a material affect on its operating results or financial position.

FASB 159

In February 2007, the FASB issued SFAS No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities - Including an Amendment of FASB Statement No. 115” (SFAS No. 159). SFAS No. 159 permits entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. This statement is effective for fiscal years beginning after November 15, 2007. The Company is currently evaluating the effects of SFAS No. 159 upon adoption; however at this time it does not believe that adoption of this standard will have a material affect on its operating results or financial position.

Note 2. CONCENTRATION OF CREDIT RISK

The Company maintains cash balances at one bank, where balances are insured by the Federal Deposit Insurance Corporation up to $100,000. Amounts in excess of insured limits were approximately $458,741 at September 30, 2007,

Note 3. LINE OF CREDIT

The Company has a borrowing agreement with Comerica Bank. The agreement establishes an operating line of credit with a limit of a $5,750,000, which is due on demand. The note bears interest at the bank's prime rate plus .25%; the effective rate at September 30, 2007 and 2006 was 8% and 8.5%, respectively, and 8.5% at December 31, 2006. The line is secured by substantially all assets of the Company and is personally guaranteed by the stockholder. The balance on the line of credit was $2,303,092 and $0 at September 30, 2007 and December 31, 2006, respectively.

Note 4. LONG-TERM DEBT

Long-term debt and the related current portion consist of the following:

	9/30/2007 (Unaudited)	12/31/2006 (Audited)
Note payable-City of Watsonville	$ 168,000	$ 192,000
Note payable-Comerica Bank #1	16,456	51,376
Note payable-Comerica Bank #2	443,263	523,610
Note payable-Comerica Bank #3	161,017	—
Note payable-Comerica Bank #4	418,442	—
	1,207,178	766,986
Less current portion	81,061	178,295
	$ 1,126,117	$ 588,691

The Note payable-City of Watsonville is due to the Redevelopment Agency, with an original balance of $320,000. Interest accrues on the note at a variable rate equal to the prime rate earned.The effective at September 30, 2007 2006 was 8% and 8.5%, respectively, 8.5% at December 31, 2006. Terms of the note include performance by the Company of a Relocation and Rehabilitation Agreement with the City of Watsonville, whereby the Company is to maintain a minimum number of full-time employees that are Watsonville residents. If the

Note 4. LONG-TERM DEBT (Continued)

Company complies with this agreement, it is entitled to an annual credit against the principal and accrued interest due in the amount of $32,000. Noncompliance with this agreement will alter the payment terms of the note. The Company was in compliance with the agreement at December 31, 2006 and September 30, 2007. In accordance with the agreement, the note was reduced by $32,000 and $24,000 at December 31, 2006 and September 30, 2007, respectively. This amount has been included in Forgiveness of Debt in the accompanying Statement of Income and Retained Earnings. The note is unsecured and is also personally guaranteed by the stockholder.

The Note payable-Comerica #1 is payable in monthly installments of $4,078, including interest at 7.1%. Final payment is due in January of 2008. The note is secured by the Company's cash balances held in its Comerica bank accounts.

The Note payable-Comerica #2 is payable in monthly installments of $12,098, including interest at 7.65%. Final payment is due in April of 2011. The note is secured by the Company's cash balances held in its Comerica bank accounts.

The Note payable-Comerica #3 is payable in monthly installments of $3,412, including interest at 7.57%. Final payment is due in May of 2012. The note is secured by the Company's cash balances held in its Comerica bank accounts.

The Note payable-Comerica #4 is payable in monthly installments of $9,046, including interest at 7.57%. Final payment is due in May of 2012. The note is secured by the Company's cash balances held in its Comerica bank accounts.

Aggregate maturities of principal under long-term debt for each of the succeeding years ending September 30, 2007 and December 31, 2006 and thereafter are as follows:

	9/30/2007 (Unaudited)	12/31/2006 (Audited)
2007	$ 81,061	$ 178,295
2008	264,414	153,356
2009	277,793	158,030
2010	297,167	168,017
2011	216,561	77,288
Thereafter	70,182	32,000
	$ 1,207,178	$ 766,986

Note 5. CAPITAL LEASES

During the year ended December 31, 2003, the Company entered into an office equipment capital lease. Equipment under the lease had an original cost of $27,088 and accumulated depreciation of $14,738 and $14,835 at September 30, 2007 and December 31, 2006, respectively. The office equipment lease is payable in monthly installments of $530, including interest at an effective rate of 6.5%. Final payment is due March 2008 at which time the Company may purchase the respective equipment for $1.

The following is a schedule of future minimum lease payments under capital leases for each of the succeeding years ending September 30, 2007 and December 31, 2006 and thereafter:

	9/30/2007 (Unaudited)	12/31/2006 (Audited)
2007	$ 1,444	$ 6,360
2008	1,590	1,590
Total minimum lease payments	3,034	7,950
Less amount representing interest	334	334
Present value of lease payments	$ 2,700	$ 7,616
Current portion of capital leases	$ 3,368	$ 6,043
Long-term portion of capital leases	—	1,573
	$ 3,368	$ 7,616

Note 6. INCOME TAXES

The provision for, or benefit from income taxes represents the California S-Corporation franchise tax on the income of the Company net of the utilization of the Company's available tax credits. The income tax provision (benefit) is as follows:

	9/30/2007 (Unaudited)	9/30/2006 (Unaudited)	12/31/2006 (Audited)
Current:			
State franchise tax at statutory rates	$ 108,394	$ 108,890	$ 127,313
Utilization of Enterprise Zone Credits	(107,594)	(101,005)	(115,473)
Utilization of Research Credits	—	(7,085)	(11,040)
Total current	800	800	800
Deferred:			
State	16,500	(24,800)	(30,000)
Income tax provision (benefit)	$ 17,300	$ (24,000)	$ (29,200)

The deferred tax (assets) liabilities consist of the following:

	9/30/2007 (Unaudited)	9/30/2006 (Unaudited)	12/31/2006 (Audited)
State:			
Depreciation and other timing differences	$ 24,310	$ 30,050	$ 3,215
Inventory amount under the uniform capitalization rule	(27,270)	(33,690)	(44,797)
Non-deductible reserves and allowances	(55,540)	(128,160)	(99,450)
State income tax credits deductible in the future	(425,000)	(363,000)	(358,965)
Net deferred tax asset	$ (483,500)	$ (494,800)	$ (499,997)
As presented on the balance sheet:			
Deferred tax asset, current portion	$ (198,500)	$ (315,000)	$ (315,000)
Deferred tax asset, long-term	(285,000)	(179,800)	(185,000)
	$ (483,500)	$ (494,800)	$ (500,000)

Note 6. INCOME TAXES (Continued)

Management has evaluated the deferred tax asset required to be recognized in order to establish a valuation allowance for the portion of the deferred asset that does not meet the more likely than not recognition criterion, since all deductible temporary differences may not be offset against taxable temporary differences and expected future taxable income. Management does not believe a valuation allowance is necessary as of September 30, 2007,

The Company has the following credits as of December 31, 2006 which can be used to offset future state income tax liabilities:

Research credit	$ 105,849
Manufacturer’s Investment Credit	9,385
Enterprise Zone Hire/Sales and Use Tax Credits	254,114
	$ 369,348

The Manufacturer’s Investment Credit was originally set to expire beginning in 2008. The remaining credits do not have expiration dates. However, effective with the sale of the company discussed in Note 13, the Company changed its tax status from an S-Corporation to a C-Corporation. As a result of this change in tax status, the tax credits accumulated while the Company was an S-Corporation cannot be carried forward to the C-Corporation. Accordingly, the Company’s deferred tax asset will be reduced by approximately $425,000 upon the conversion to a C-Corporation.

Note 7. RELATED PARTY TRANSACTIONS

On July 1, 2003, the Company entered into a triple-net building lease with the stockholder for its manufacturing and office facilities in Watsonville. The term of the lease is fifteen years, beginning July 1, 2003 and ending July 30, 2018, with monthly rental payments of $86,000, which can be adjusted annually for a cost-of-living increase based upon the consumer price index. Payments made for the year ended December 31, 2006 under this lease totaled $1,032,000. Payments made for the nine months ended September 30, 2007 and 2006 under this lease were $774,000 for each period.

Note 7. RELATED PARTY TRANSACTIONS (Continued)

The following is a schedule of future minimum rental payments under the operating lease with the stockholder that has a remaining noncancelable lease term in excess of one year at September 30, 2007:

2007	$ 258,000
2008	1,032,000
2009	1,032,000
2010	1,032,000
2011	1,032,000
Thereafter	6,794,000
	$ 11,180,000

Note 8. PROFIT SHARING PLAN

The Company maintains a qualified profit sharing plan and deferred salary 401 (k) plan that was adopted in 1991 and restated in 1998. The plan covers all employees that meet the length of service requirement of one year and are over the age of 18. The Company's contribution to the plan is determined annually by the Board of Directors. Expenses under the plan for the Company's discretionary contributions were $150,000, $112,000, and $112,000 for the year ended December 31, 2006, and for the nine months ended September 30, 2007, and September 30, 2006, respectively. These amounts are included in accrued expenses in the accompanying balance sheets.

Note 9. SIGNIFICANT CUSTOMERS AND VENDORS

For the year ended December 31, 2006. 49% of total sales were attributed to ten customers. At December 31, 2006 amounts due from these customers represented 49% of accounts receivable.

The Company purchased approximately 62% of its product components for the year ended December 31, 2006 from ten vendors. At December 31, 2006, amounts due from these vendors represented 72% of accounts payable.

Note 10. LEGAL CONTINGENCIES

From time to time, the Company is subject to lawsuits and claims that arise out of their operations in the normal course of business. In 2005, The Company settled an on-going patent infringement lawsuit. The settlement required the Company to pay an ongoing royalty to the plaintiff on certain products it sells unless and until a contingency event occurred. That contingency event occurred on August 8, 2006. Between June 1, 2006 and August 8, 2006, the royalty was $341,372, which was paid to the plaintiff in September 2006, ending any further financial obligations under the settlement agreement absent unforeseen and extraordinary circumstances.

The Company is currently the defendant in a personal injury lawsuit which involves claims for damages that are potentially substantial in amount. The Company believes that the disposition of the claims currently pending will not have a material adverse effect on its financial position or the results of its operations.

Note 11. WARRANTIES

The Company accrues an estimate of its exposure to warranty claims based on both current and historical product sales data and warranty costs incurred. The majority of the Company’s products carry a one- to two-year warranty. The Company assesses the adequacy of its recorded warranty liability annually and adjusts the amount as necessary. The warranty liability of $600,000 at December 31, 2006, and $800,000 at September 30, 2007, is included in accrued expenses in the accompanying balance sheet.

Note 12. LEASE COMMITTMENT

On January 5, 2004, the Company entered into a building lease with an unrelated party for its warehouse and office facilities in Santee, California. The lease expires January 15, 2009. The lease provides for monthly rent of $11,230 with annual increases of 3% beginning January 1, 2007. Payments made for the year ended December 31, 2006 under this lease totaled $128,007. Payments made for the nine months ended September 30, 2007 and 2006 under this lease were $104,102 and $101,070, respectively.

In July of 2006, the Company entered into a building lease with an unrelated party for additional warehouse facilities in Watsonville. The term of the lease is two years beginning July 2006 and ending July 2008. The lease provides for monthly rent of $8,415. Payments made for the year ended December 31, 2006 under this lease totaled $42,078. Payments made for the nine months ended September 30, 2007 and 2006 under this lease were $75,735 and $16,830, respectively.

Note 12. LEASE COMMITMENT (Continued)

In June of 2007, the Company entered into a building lease with an unrelated party for additional warehouse facilities in Watsonville. The term of the lease is three years beginning June 2007 and ending June 2010. The lease provides for monthly rent of $9,900. Payments made for the nine months ended September 30, 2007 under this lease totaled $39,600.

The following is a schedule of future minimum rental payments under operating leases with unrelated parties that have a remaining noncancelable lease term in excess of one year at September 30, 2007:

2007	$ 77,271
2008	320,673
2009	266,057
2010	49,500
	$ 713,501

Note 13. SALE OF THE COMPANY

On January 4, 2008 the Company and the stockholder of the Company entered into a Stock Purchase Agreement with Compass Group Diversified Holdings LLC, whereby the stockholder sold all of the outstanding stock of the Company. The purchase price was $85,000,000 and is subject to certain adjustments, including a working capital adjustment.

In connection with the acquisition, the Company awarded key members of management approximately $20,800,000 in bonus compensation.

Exhibit 99.2

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Management Committee
Staffmark Investment LLC

We have audited the consolidated balance sheets of Staffmark Investment LLC and subsidiaries (the "Company") as of December 31, 2006 and December 25, 2005, and the consolidated statements of operations, members' equity, and cash flows for the year ended December 31, 2006. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Staffmark Investment LLC and subsidiaries as of December 31, 2006 and December 25, 2005, and the results of their operations and their cash flows for the year ended December 31, 2006, in conformity with accounting principles generally accepted in the United States of America.

/s/ Grant Thornton LLP

Cincinnati, Ohio
January 14, 2008

STAFFMARK INVESTMENT LLC

CONSOLIDATED BALANCE SHEETS

	December 25, 2005	December 31, 2006	September 30, 2007 (unaudited)
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 7,913,823	$ 10,176,579	$ 10,947,018
Accounts receivable trade, less allowance for doubtful accounts of $2,712,488 at December 25, 2005, $2,368,166 at December 31, 2006, and $2,265,053 (unaudited) at September 30, 2007	67,621,940	61,302,851	54,817,692
Unbilled revenue	11,684,936	8,023,355	12,470,490
Prepaid expenses and other current assets	2,631,681	1,902,354	1,294,492
Total current assets	89,852,380	81,405,139	79,529,692
PROPERTY AND EQUIPMENT, net	4,486,904	3,712,387	3,247,038
OTHER ASSETS			
Goodwill, net	64,294,380	64,294,380	64,294,380
Other intangibles, net	25,596,633	25,564,299	25,540,049
Other	2,768,527	931,337	938,548
Total other assets	92,659,540	90,790,016	90,772,977
Total assets	$ **186,998,824**	$ **175,907,542**	$ **173,549,707**

The accompanying notes are an integral part of these financial statements.

STAFFMARK INVESTMENT LLC

CONSOLIDATED BALANCE SHEETS

LIABILITIES AND MEMBERS' EQUITY			
CURRENT LIABILITIES			
Current portion of long-term debt	$ 9,700,000	$ 11,600,000	$ 14,500,000
Trade accounts payable	17,067,524	12,985,617	12,811,326
Accrued expenses and other current liabilities:			
Accrued payroll, bonuses and commissions	12,785,593	10,942,611	12,718,987
Payroll taxes and other withholdings	8,599,721	7,324,913	7,815,416
Current portion of workers' compensation obligation	12,959,000	14,346,800	14,522,955
Other	2,545,888	1,892,027	2,199,489
Total current liabilities	63,657,726	59,091,968	64,568,173
DUE TO PARENT	44,909,105	39,905,367	34,757,929
LONG-TERM DEBT, net of current portion	58,166,964	43,666,964	34,966,964
WORKERS' COMPENSATION OBLIGATION, net of current portion	17,634,800	19,232,600	19,468,745
Total liabilities	184,368,595	161,896,899	153,761,811
MINORITY INTEREST	356,388	356,388	356,388
COMMITMENTS AND CONTINGENCIES			
MEMBERS' EQUITY			
Common units, 52,525,000 units issued and outstanding at December 25, 2005, December 31, 2006 and September 30, 2007	—	—	—
Class A preferred units, 42,201,370 units issued and outstanding at December 25, 2005, December 31, 2006 and September 30, 2007	—	—	—
Class B preferred units, 24,425,198 units issued and outstanding at December 25, 2005, December 31, 2006 and September 30, 2007	2,014,551	12,825,945	18,498,344
Participating units, 1,556,722 units issued and outstanding at December 25, 2005, December 31, 2006 and September 30, 2007	259,290	828,310	933,164
Total members' equity	2,273,841	13,654,255	19,431,508
Total liabilities and members' equity	$ **186,998,824**	$ **175,907,542**	$ **173,549,707**

The accompanying notes are an integral part of these financial statements.

STAFFMARK INVESTMENT LLC

CONSOLIDATED STATEMENTS OF OPERATIONS

	Year ended December 31, 2006	Nine months ended September 24, 2006 (unaudited)	Nine months ended September 30, 2007 (unaudited)
Revenue	$624,484,296	$455,958,011	$434,771,625
Cost of revenue	520,409,460	380,336,741	360,403,796
Gross profit	104,074,836	75,621,270	74,367,829
Operating expenses:			
Staffing expense	54,270,316	39,764,422	41,535,001
Selling, general & administrative expenses	27,590,786	21,432,748	19,967,956
Depreciation and amortization	2,237,302	1,710,313	1,678,813
Total operating expenses	84,098,404	62,907,483	63,181,770
Income from operations	19,976,432	12,713,787	11,186,059
Other expense:			
Interest expense, net	6,373,677	4,183,858	4,951,896
Other (income) expense, net	2,088,861	(338,745)	24,077
Total other expense	8,462,538	3,845,113	4,975,973
Income before income taxes	11,513,894	8,868,674	6,210,086
Income taxes	133,480	133,480	239,140
Net income	**$ 11,380,414**	**$ 8,735,194**	**$ 5,970,946**

The accompanying notes are an integral part of these financial statements.

STAFFMARK INVESTMENT LLC

CONSOLIDATED STATEMENT OF MEMBERS' EQUITY

For the year ended December 31, 2006

	Common	Class A Preferred	Class B Preferred	Participating	Total Members' Equity
Balances at December 25, 2005	$ —	$ —	$ 2,014,551	$ 259,290	$ 2,273,841
Net income	—	—	10,811,394	569,020	11,380,414
Balances at December 31, 2006	$ **—**	$ **—**	$ **12,825,945**	$ **828,310**	$ **13,654,255**

The accompanying notes are an integral part of these financial statements.

STAFFMARK INVESTMENT LLC

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31, 2006	Nine months ended September 24, 2006 (unaudited)	Nine months ended September 30, 2007 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 11,380,414	$ 8,735,194	$ 5,970,946
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	2,269,636	1,734,563	1,703,063
Loss on disposal of property and equipment	48,804	24	11,348
Bad debt expense	1,397,591	1,394,064	355,847
Changes in assets and liabilities:			
Accounts receivable and unbilled revenue	8,583,079	7,889,218	1,682,177
Prepaid expenses and other assets	2,566,517	943,259	600,651
Accounts payable, accrued expenses and other liabilities	(4,867,958)	(4,853,752)	2,812,350
Net cash provided by operating activities	21,378,083	15,842,570	13,136,382
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property and equipment	(1,511,589)	(1,118,380)	(1,224,812)
Net cash used in investing activities	(1,511,589)	(1,118,380)	(1,224,812)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Distribution to members	—	—	(193,693)
Repayments of third party debt	(12,600,000)	(7,275,000)	(5,800,000)
Borrowings of related party debt	3,555,963	2,598,461	4,111,028
Repayments of related party debt	(8,559,701)	(6,704,044)	(9,258,466)
Net cash used in financing activities	(17,603,738)	(11,380,583)	(11,141,131)
Net increase in cash and cash equivalents	2,262,756	3,343,607	770,439
Cash and cash equivalents, beginning of year	7,913,823	7,913,823	10,176,579
Cash and cash equivalents, end of year	$ **10,176,579**	$ **11,257,430**	$ **10,947,018**
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the year for interest	$ **6,680,094**	$ **6,622,125**	$ **6,217,066**
Cash paid for income taxes	$ **133,480**	$ **133,480**	$ **239,140**

The accompanying notes are an integral part of these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A — NATURE OF OPERATIONS AND ORGANIZATION

Staffmark Investment LLC (the "Company") is a subsidiary of SF Holding Corporation (Stephens or Parent) that provides various staffing services including temporary help and permanent placement, which constitutes one segment for financial reporting purposes. The Company has staffing offices located throughout the United States. The Company's headquarters are in Little Rock, Arkansas. The Company was organized on June 28, 2000 under the laws of the state of Delaware.

NOTE B — SUMMARY OF ACCOUNTING POLICIES

1. Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the company and its majority owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

2. Cash and Cash Equivalents

Cash and equivalents are comprised of highly liquid instruments with original maturities of three months or less.

3. Trade Accounts Receivable

Trade accounts receivable are recorded at the invoiced amount, net of discounts, and do not bear interest. The Company records an allowance for doubtful accounts based on historical loss experience, customer payment patterns and current economic trends. The Company reviews the adequacy of the allowance for doubtful accounts on a periodic basis and adjusts the balance, if necessary. Past due balances over 90 days and over a specified amount are reviewed individually for collectibility. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Company does not have any off-balance-sheet credit exposure related to its customers.

4. Revenue Recognition

Revenue from temporary staffing services is recognized at the time services are provided by Company employees or subcontractors and is reported based on gross billings to customers. The Company recognizes revenue for permanent placement services at the employee start date, which management believes is the culmination of the earnings process. Permanent placement services are fully guaranteed to the satisfaction of the customer for a specified period, usually 30 to 90 days. Revenue from subcontracted temporary staffing services is reported on a net basis pursuant to Emerging Issues Task Force No. 99-19, *Reporting Revenue Gross as a Principal Versus Net as an Agent*. Net charges recorded in revenue from subcontracted temporary staffing services were $416,364 in 2006, $399,176 (unaudited) for the nine months ended September 24, 2006 and $201,263 (unaudited) for the nine months ended September 30, 2007.

5. Property and Equipment

Property and equipment consisted of the following at December 25, 2005, December 31, 2006, and September 30, 2007:

	December 25, 2005	December 31, 2006	September 30, 2007 (unaudited)
Furniture and fixtures	$ 2,920,366	$ 3,031,948	$ 3,165,406
Office equipment	5,686,412	6,387,078	6,823,640
Computer software	6,138,980	6,258,113	6,534,962
Transportation equipment	120,294	148,154	167,782
Leasehold improvements	2,102,986	2,510,343	2,692,804
	16,969,038	18,335,636	19,384,594
Less: accumulated depreciation	(12,482,134)	(14,623,249)	(16,137,556)
Total property and equipment, net	$ 4,486,904	$ 3,712,387	$ 3,247,038

Property and equipment are recorded at cost. Depreciation is provided over the estimated useful lives of the related assets, using the straight-line method. Leasehold improvements are depreciated over the shorter of the lease term or estimated useful life of the asset. Estimated useful lives are as follows:

Description	Useful Life
Office equipment	3-5 years
Furniture and fixtures	7 years
Transportation equipment	5 years
Leasehold improvements	4 years
Computer software	3 years

6. Impairment of Long-Lived Assets

Long-lived assets, such as property, plant, and equipment, and purchased intangibles subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized as the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of (if any) would be separately presented in the balance sheet and reported at the lower of the carrying amount or fair value less costs to sell, and would no longer be depreciated. The assets and liabilities of a disposal group classified as held for sale would be presented separately in the appropriate asset and liability sections of the consolidated balance sheets.

7. Software Development Costs

The company accounts for costs incurred to develop computer software for internal use in accordance with the Statement of Position (SOP) 98-1, *Accounting for the Costs of Computer Software Developed or Obtained for Internal Use.* As required by SOP 98-1, the Company capitalizes the costs incurred during the application development stage, which include costs to design the software configuration and interfaces, coding, installation, and testing. Costs incurred during the preliminary phase along with post-implementation stages of internal use computer software are expensed as incurred. Capitalized development costs are amortized over various periods up to three years. Costs incurred to maintain existing product offerings are expensed as incurred. The capitalization and ongoing assessment of recoverability of development costs requires considerable judgment by management with respect to certain factors, including, but not limited to, technological and economic feasibility, and estimated economic life. For the year ended December 31, 2006, the company capitalized software development costs of $119,133. As of December 31, 2006 and December 25, 2005, net capitalized software costs totaled $268,576 and $421,390, respectively. As of September 30, 2007, net capitalized software costs totaled $371,671 (unaudited).

8. Goodwill and Other Intangible Assets

Goodwill and other purchased intangible assets not subject to amortization are tested for impairment at least annually, or if an event occurs or circumstances change that may reduce the fair value of the reporting unit below its book value. If the fair value of the reporting unit tested has fallen below its book value, the estimated fair value of goodwill is compared to its book value. If the book value of goodwill exceeds the estimated fair value of goodwill, an impairment loss would be recognized in an amount equal to that excess. The Company uses a discounted cash flow methodology to determine fair value. No impairment was recognized in 2006 or for the nine months ended September 30, 2007.

9. Workers’ Compensation Liability

The Company self-insures its workers’ compensation exposure for its employees. The Company engages an actuarial firm to help determine its estimated workers’ compensation liability, which is calculated using a weighted average of the incurred method, paid method and case method. The determination of this liability and reserve amount is based on the use of certain actuarial assumptions and estimates. Actual results could differ from these projections. The Company has purchased stop-loss insurance coverage which limits the Company’s exposure to $1,000,000 per claim as of December 31, 2006, December 25, 2005 and September 30, 2007.

10. Income taxes

The Company is a limited liability company, and therefore the results of its operations are included in the determination of taxable income or loss of its members for federal income tax purposes. The company has provided for various local and state income and franchise taxes payable by the Company and reports such amounts as income taxes in the accompanying consolidated statements of operations.

11. Advertising

The Company expenses the cost of advertising as incurred. Advertising expense was approximately $2,585,000 for the year ended December 31, 2006, $1,872,000 (unaudited) for the nine months ended September 24, 2006, and $1,789,000 (unaudited) for the nine months ended September 30, 2007.

12. Use of Estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions relating to the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates. Significant estimates included in the Company's financial statements include the accrual for workers' compensation and the assumptions used in the goodwill and intangible asset valuation testing.

13. Fiscal Year

The Company ends its fiscal year on the closest Sunday on or prior to December 31, and operates on a 52-53 week fiscal year. The year ended December 31, 2006 has been designated Fiscal 2006 and is a 53-week year. The nine months ended September 30, 2007 and September 24, 2006 are 39-week periods.

NOTE C — DEBT

1. Term Loan

On September 30, 2004, the Company entered into a credit agreement with a group of financial institutions that provided for a term loan of $77,566,964. The proceeds from these borrowings were utilized to repay amounts outstanding under the Company's former credit agreements.

Borrowings under the term loan bears interest equal to LIBOR plus a margin equal to 0.625%. Payments of principal and interest are due quarterly with a balloon payment due at maturity in 2008. The rate on the term loan at December 31, 2006 was 5.793%. Borrowings under the term loan are secured by the assets of the Company and its subsidiaries and are guaranteed by Stephens.

The terms of these borrowings impose certain ownership and financial restrictions on the Company. The Company's debt agreement contains affirmative and negative covenants including financial covenants requiring Stephens to maintain a minimum liquidity ratio and net worth multiple. Additionally, these covenants limit the Company's ability to incur additional debt, distribute dividends and limit capital expenditures, among other restrictions. The agreement also contains a provision that requires additional payments of principal, upon asset sale or fundamental change in the business.

At December 25, 2005, the Company was party to an interest rate swap agreement to manage its exposure to interest rate movements in its variable rate debt. As the swap was not designated as a hedge instrument, changes in the market value of the instrument are recorded in the statement of operations. The swap expired on September 30, 2006 and the Company recorded a charge of $1,886,800 which is included in other expense on the accompanying statement of operations.

The maturities of long-term debt for each of the years subsequent to December 31, 2006 are as follows:

2007	$11,600,000
2008	43,666,964
	$55,266,964

2. Due to Parent

Stephens periodically advances funds to the Company to finance company operations. Amounts due to Stephens bear interest equal to the Prime Rate plus 5.00%. The rate at December 31, 2006 and December 25, 2005 was 13.25% and 12%, respectively. Interest expense on amounts due to Stephens was $4,663,135 for the year ended December 31, 2006. The rate at September 30, 2007 was 13.25%. Interest expense for the nine months ended September 30, 2007 and September 24, 2006 was $2,748,482 (unaudited) and $3,389,808 (unaudited), respectively.

3. Letters of Credit

Letters of credit outstanding at December 31, 2006 were $53,167,000, the majority of which are related to the Company's workers' compensation arrangements. These letters of credit are guaranteed by Stephens and are issued under a credit facility maintained by Stephens. Letters of credit outstanding at September 30, 2007 were $53,167,000 (unaudited).

NOTE D — CAPITAL ACTIVITIES

The Company was formed in June 2000 as a Delaware limited liability company. Contributions of $1 per unit were made in exchange for 52,625,000 common units (Common Shares). In June 2001, notes payable were converted by the Company into preferred units (Preferred Shares) at $1 per unit. The former note holders received 42,201,370 shares of Class A Preferred Shares and 24,471,370 of Class B Preferred Shares.

On January 1, 2004, the members of the Company entered into an Amended and Restated Operating Agreement (Operating Agreement). In exchange for services rendered and to be rendered by certain Company executives, 1,556,722 additional units were issued (Participating Shares). These shares vest 20% per year subsequent to the date of grant. Holders of the Participating Shares will be fully vested in these shares on January 1, 2009. The Company determined these shares had minimal value at the date of grant.

Under the Operating Agreement, net income is first allocated to offset previously allocated losses in the following order:

• Class B Preferred and Participating Shares	95% and 5% of net income, respectively
• Class A Preferred and Participating Shares	95% and 5% of net income, respectively
• Common and Participating Shares	95% and 5% of net income, respectively

Once all previously allocated net losses are reduced to zero, holders of Class B Preferred Shares and Participating Shares are entitled to 95% and 5%, respectively, per year of net income until the cumulative net income allocated to the Class B Preferred Shares is equal to the Class B Priority Return, as defined. Once Class B priority allocations are satisfied, the holders of Class A Preferred Shares and Participating Shares are then entitled to 95% and 5%, respectively, per year of net income until the cumulative net income allocated to the Class A Preferred Shares is equal to the Class A Priority Return, as defined. Once all Preferred priority allocations are satisfied, the holders of Common Shares and Participating Shares are then entitled to 95% and 5%, respectively, of any remaining net income. Any losses incurred offset previously allocated income in the following order: Class B Preferred Shares, then Class A Preferred Shares then Common Shares. Once all previously allocated net income is reduced to zero, additional losses reduce capital accounts in the following order, until such capital accounts are reduced to zero:

• Common and Participating Shares	95% and 5% of net losses, respectively
• Class A Preferred and Participating Shares	95% and 5% of net income, respectively
• Class B Preferred and Participating Shares	95% and 5% of net income, respectively

Upon liquidation, after determining that all known debts and liabilities of the Company have been paid, the remaining assets are distributed to the members in accordance with their respective capital account balances.

During 2000, the Company issued warrants to certain note holders to purchase 15.05% of the fully diluted common units for a $1 per unit. These warrants are exercisable from the date of grant through June 28, 2010. The Company determined these warrants had minimal value at the date of issuance.

During 2003, the Company issued options to one of the Company's executives for 586,024 common units of the Company with an exercise price of $0.20 per unit. The options are fully vested on the date of grant and can only be exercised all at once. The Company determined these options had minimal value at the date of grant. The options expire on September 30, 2010.

NOTE E — INTANGIBLE ASSETS

Intangible assets, excluding goodwill, consisted of the following at December 25, 2005, December 31, 2006 and September 30, 2007:

	December 25, 2005	December 31, 2006	September 30, 2007 (unaudited)
Trade name	$25,500,000	$25,500,000	$25,500,000
Deferred financing costs	129,336	129,336	129,336
	25,629,336	25,629,336	25,629,336
Less: accumulated amortization, deferred financing costs	(32,703)	(65,037)	(89,287)
Total intangible assets, net	$25,596,633	$25,564,299	$25,540,049

The trade name is considered an indefinite-lived intangible asset and is therefore not amortized. Deferred financing costs are amortized over the lives of the respective loans. Amortization of deferred financing costs is recorded on the straight-line basis, which approximates the effective interest method. Amortization expense for the year ended December 31, 2006, was $32,334 and is recorded as a component of interest expense. Amortization expense for the nine month periods ended September 24, 2006 and September 30, 2007 was $24,250 (unaudited).

NOTE F — RELATED PARTY TRANSACTIONS

1. Revenue

The company services a small number of affiliates of Stephens. Revenues from affiliates were approximately $1,218,000 for the year ended December 31, 2006, $877,000 (unaudited) for the nine months ending September 24, 2006, and $778,000 (unaudited) for the nine months ending September 30, 2007.

2. Costs

Support services are provided by Stephens including legal, information technology, accounts payable, rent and other. For the year ended December 31, 2006 fees for these services were approximately $2,539,000. For the nine month periods ended September 24, 2006 and September 30, 2007 the fees for these services were approximately $1,825,000 (unaudited) and $2,185,000 (unaudited), respectively.

3. Insurance Policy

During 2006, the Company held a general liability insurance policy for which Stephens Insurance Services acted as the insurance broker. For the year ended December 31, 2006 expense for the policy, including broker fees, was $463,279. Expense for the policy, including broker fees, was $358,626 (unaudited) for the nine months ending September 24, 2006, and $427,042 (unaudited) for the nine months ending September 30, 2007.

NOTE G — COMMITMENTS AND CONTINGENCIES

1. Leases

The Company has entered into various operating lease agreements for its premises, office equipment and automobiles. Rental expense under operating leases for the year ended December 31, 2006 was $5,473,132. The Company' corporate headquarters are leased from Stephens on a month-to-month basis. Rental expense under this related party lease for the year ended December 31, 2006 was $211,220. The Company subleases certain of its office premises to a third party.

Future minimum lease payments and sublease receipts as of December 31, 2006 are as follows:

	Minimum lease payments	Sublease Receipts	Net Operating Lease Commitments
2007	$ 5,098,248	$ (535,000)	$ 4,563,248
2008	4,209,476	(535,000)	3,674,476
2009	3,065,124	(267,000)	2,798,124
2010	1,850,224	—	1,850,224
2011	572,073	—	572,073
Thereafter	149,255	—	149,255
	$ 14,944,400	$ (1,337,000)	$ 13,607,400

2. Employment Agreements

Certain of the Company's executives are covered by employment agreements which include, among other terms, base compensation, incentive-bonus determinations and payments in the event of termination or change in control of the Company.

3. Workers' Compensation Liability

The following is a summary of amounts recorded related to workers' compensation:

	2006	2005
Amounts Payable	$36,894,973	$33,658,023
Unamortized discount	(3,315,573)	(3,064,223)
Present value amounts payable	$33,579,400	$30,593,800

Expected aggregate undiscounted amounts payable are as follows at December 31, 2006:

2007	$14,701,098
2008	8,507,550
2009	5,221,765
2010	3,208,589
2011	2,131,172
Thereafter	3,124,799
	$36,894,973

4. Litigation

The Company is a defendant in various lawsuits and claims arising in the normal course of business. Management believes it has valid defenses in these cases and is defending them vigorously. While the results of litigations cannot be predicted with certainty, management believes the final outcome of such litigation will not have a material effect on the financial position or results of operations of the company.

NOTE H — RETIREMENT SAVINGS PLAN

Staffmark 401(k) Savings Plan (the Plan) was established June 27, 2000, as a contributory 401(k) plan for all full-time and temporary employees. The Company's 401(k) retirement savings plan (the Plan) covers any employee of the Company who has reached the age of 21, except employees who participate in another qualified plan to which the Company contributes. Full-time and temporary employees become eligible on the first of the month following attainment of age 21 and completion of a 30-day waiting period. Employees may contribute up to 75% of his or her annual compensation, not to exceed limits determined under Section 415(c) of the U.S. Internal Revenue Code. Highly compensated employees are not permitted to contribute unless they are age 50 or older, in which case they are permitted to contribute the annually determined maximum of the IRS "catch up" provision only.

The Plan requires the Company to make matching contributions to the Plan equal to 50% of the first 6% of the employee contributions each pay period. Additionally, the Plan allows for discretionary employer contributions; however, no discretionary employer contributions have been made since the Plan's inception. Full-time employees are eligible for the employer matching contribution immediately. Temporary employees become eligible for the employer matching contribution on the first day of the calendar quarter after which the employee has provided one year of service and worked at least one thousand hours in that year. Employer matching contributions to the Plan were $549,253 for the year ending December 31, 2006.

NOTE I — SUBSEQUENT EVENT

On December 19, 2007, the Company and the Company's members entered into a purchase agreement with CBS Personnel Holdings, Inc. (CBS), a wholly-owned subsidiary of Compass Group Diversified Holdings LLC, to purchase all of the issued and outstanding members' equity interests of the Company. Upon consummation of the acquisition in January 2008, the Company became a wholly-owned subsidiary of CBS.

Exhibit 99.3

Compass Diversified Holdings

PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS
(Unaudited)

The following unaudited pro forma condensed combined balance sheets as of December 31, 2006 and September 30, 2007, give effect to the following transactions, as if the following transactions had been completed as of the respective balance sheet date:

- The acquisition of approximately 76% of Fox Factory, Inc. ("Fox") as further described on Form 8-K that we filed on January 8, 2008 for a total cash investment of approximately $87.4 million;
- The acquisition of Staffmark Investment LLC ("Staffmark") by our subsidiary, CBS Personnel Holdings, Inc. as further described on Forms 8-K that we filed on December 20, 2007 and January 23, 2008 for a total cash investment of approximately $83.9 million; and
- The completion of the credit facility expansion used to finance these two acquisitions as further described on Form 8-K that we filed on December 11, 2007.

The purchase price for each of these acquisitions is subject to adjustment and is further subjected to the finalization of the preliminary purchase price allocation. The actual amount of working capital adjustments, which we do not expect to be material, will depend upon the actual working capital of Fox as of January 4, 2008 and Staffmark as of January 21, 2008, the actual closing dates for these two businesses.

The following unaudited pro forma condensed combined statements of operations for the year ended December 31, 2006 and for the nine months ended September 30, 2007, give effect to the acquisition of Fox and Staffmark and the credit facility expansion as if they had occurred on January 1, 2006. The "as reported" financial information in the unaudited pro forma condensed combined balance sheet at December 31, 2006 and September 30, 2007, and for the year ended December 31, 2006 and nine months ended September 30, 2007, for Fox and Staffmark is derived from the audited financial statements for the year ended December 31, 2006 and the unaudited financial statements for the nine months ended September 30, 2007 of each of the businesses, which are included elsewhere in this form 8-K. The "as reported" financial information for Compass Diversified Holdings at December 31, 2006 and for the year ended December 31, 2006, is derived from the audited financial statements of Compass Diversified Holdings as of December 31, 2006 and for the year ended December 31, 2006 as filed on Form 10-K dated March 13, 2007. The "as reported" financial information for Compass Diversified Holdings at September 30, 2007 and for the nine months ended September 30, 2007, is derived from the unaudited financial statements of Compass Diversified Holdings as of September 30, 2007 and for the nine months ended September 30, 2007 as filed on Form 10-Q dated November 9, 2007.

The following unaudited pro forma condensed combined financial statements, or the pro forma financial statements, have been prepared assuming that our acquisition of the Fox and Staffmark businesses will be accounted for under the purchase method of accounting. Under the purchase method of accounting, the assets acquired and the liabilities assumed will be recorded at their respective fair value at the date of acquisition. The total purchase price has been allocated to the assets acquired and liabilities assumed based on estimates of their respective fair values, which are subject to revision if the finalization of the respective fair values results in a material difference to the preliminary estimate used.

The unaudited pro forma condensed combined statement of operations includes the results of operations for Fox and Staffmark as if they were purchased on January 1, 2006 and the actual historical results of operations of our other businesses as of the date of acquisition, which was May 16, 2006 for our initial businesses, August 1, 2006 for Anodyne Medical Device, February 28, 2007 for Aeroglide Corporation and Halo Branded Solutions, Inc and August 31, 2007 for American Furniture Manufacturing, Inc. As such these pro forma financial statements are not necessarily indicative of operating results that would have been achieved had the transactions described above been completed at the beginning of the period presented and should not be construed as indicative of future operating results.

You should read these unaudited pro forma condensed financial statements in conjunction with the accompanying notes, the financial statements of Fox and Staffmark included in this Form 8-K and the consolidated financial statements for the Trust and the Company, including the notes thereto as previously filed.

Compass Diversified Holdings

Condensed Combined Pro Forma Balance Sheet
at September 30, 2007
(Unaudited)

	Compass Diversified Holdings as Reported	Credit Facility Expansion*	Fox (as reported)	Staffmark (as reported)	Pro Forma Adjustments	Pro Forma Combined Compass Diversified Holdings
			($ in thousands)			
Assets						
Current assets:						
Cash and cash equivalents	$ 6,397	$ 145,300	$	$ 10,947	$ (145,300)	$ 17,344
Accounts receivable, net	126,398		15,023	54,818		196,239
Inventories	33,238		13,971			47,209
Prepaid expenses and other current assets	17,123		298	13,764		31,185
Total current assets	183,156	145,300	29,292	79,529	(145,300)	291,977
Property and equipment, net	27,017		4,333	3,247	987	35,584
Goodwill	265,025			64,294	20,920	350,239
Intangible assets, net	209,017			25,540	83,446	318,003
Deferred debt issuance costs	5,249	4,700				9,949
Other non-current assets	18,753		285	939		19,977
Total assets	$ 708,217	$ 150,000	$ 33,910	$ 173,549	$ (39,947)	$ 1,025,729
Liabilities and stockholders' equity						
Current liabilities:						
Accounts payable and accrued expenses	$ 97,972	$	$ 11,350	$ 50,068	$ 5,000	$ 164,390
Due to related party	524					524
Current portion of debt	26,864		2,387	14,500	9,113	52,864
Total current liabilities	125,360		13,737	64,568	14,113	217,778
Long-term debt		150,000	1,126	69,725	(70,851)	150,000
Supplemental put obligation	19,167					19,167
Long-term deferred income taxes	67,339					67,339
Other non-current liabilities	19,494			19,469		38,963
Total liabilities	231,360	150,000	14,863	153,762	(56,738)	493,247
Minority interest	30,393			356	55,269	86,018
Total stockholders' equity	446,464		19,047	19,431	(38,478)	446,464
Total liabilities and stockholders' equity	$ 708,217	$ 150,000	$ 33,910	$ 173,549	$ (39,947)	$ 1,025,729

* Reflects the issuance of term loan notes and the net proceeds received from the issuance of such notes, after deducting related transaction fees and expenses of approximately $4.7 million that were used to partially finance the acquisitions of Fox and Staffmark.

Compass Diversified Holdings

Condensed Combined Pro Forma Balance Sheet
at December 31, 2006
(Unaudited)

	Compass Diversified Holdings as Reported	Credit Facility Expansion*	Fox (as reported)	Staffmark (as reported)	Pro Forma Adjustments	Pro Forma Combined Compass Diversified Holdings
			($ in thousands)			
Assets						
Current assets:						
Cash and cash equivalents	$ 7,006	$ 145,300	$ 540	$ 10,177	$ (145,300)	$ 17,723
Accounts receivable, net	74,899		8,701	61,303		144,903
Inventories	4,756		10,491			15,247
Prepaid expenses and other current assets	7,059		410	9,925		17,394
Current assets of discontinued operations	46,636					46,636
Total current assets	140,356	145,300	20,142	81,405	(145,300)	241,903
Property and equipment, net	10,858		2,828	3,712	2,493	19,891
Goodwill	159,151			64,295	20,131	243,577
Intangible assets, net	128,890			25,564	83,422	237,876
Deferred debt issuance costs	5,190	4,700				9,890
Other non-current assets	15,894		185	932		17,011
Assets of discontinued operations	65,258					65,258
Total assets	$ 525,597	$ 150,000	$ 23,155	$ 175,908	$ (39,254)	$ 835,406
Liabilities and stockholders' equity						
Current liabilities:						
Accounts payable and accrued expenses	$ 52,900	$	$ 6,459	$ 47,492	$ 5,000	$ 111,851
Due to related party	469					469
Current portion of debt	87,604		184	11,600	14,216	113,604
Current portion of supplemental put obligation	7,880					7,880
Current liabilities of discontinued operations	14,019					14,019
Total current liabilities	162,872		6,643	59,092	19,216	247,823
Long-term debt		150,000	590	83,572	(84,162)	150,000
Supplemental put obligation	14,576					14,576
Deferred income taxes	41,337					41,337
Non-current liabilities of discontinued operations	6,634					6,634
Other non-current liabilities	17,336			19,233		36,569
Total liabilities	242,755	150,000	7,233	161,897	(64,946)	496,939
Minority interest	27,131			357	55,268	82,756
Total stockholders' equity	255,711		15,922	13,654	(29,576)	255,711
Total liabilities and stockholders' equity	$ 525,597	$ 150,000	$ 23,155	$ 175,908	$ (39,254)	$ 835,406

* Reflects the issuance of term loan notes and the net proceeds received from the issuance of such notes, after deducting related transaction fees and expenses of approximately $4.7 million that were used to partially finance the acquisitions of Fox and Staffmark.

Compass Diversified Holdings

Condensed Combined Pro Forma Statement of Operations
for the nine months ended September 30, 2007
(Unaudited)

	Compass Diversified Holdings as Reported	Fox (as reported)	Staffmark (as reported)	Pro Forma Adjustments	Pro Forma Combined Compass Diversified Holdings
			(in thousands)		
Net Sales	$ 629,820	$ 75,724	$ 434,772	$	$ 1,140,316
Cost of Sales	466,037	54,222	360,404	215	880,878
Gross profit	163,783	21,502	74,368	(215)	259,438
Operating expenses:					
Staffing Expense	41,922		41,535		83,457
Selling, general and administrative expense	76,994	14,526	21,648		113,168
Supplemental put expense	4,591				4,591
Fees to Manager	7,477			3,404	10,881
Research and development expense	1,120				1,120
Amortization expense	14,382			7,078	21,460
Operating income (loss)	17,297	6,976	11,185	(10,697)	24,761
Other income (expense):					
Interest income	1,898				1,898
Interest expense	(4,271)	(86)	(4,952)	(7,070)	(16,379)
Amortization of debt issuance costs	(861)			(587)	(1,448)
Other income (expense), net	275	34	(24)		285
Income (loss) from continuing operations before provision for income taxes and minority interest	14,338	6,924	6,209	(18,354)	9,117
Provision for income taxes	5,699	17	239		5,955
Minority interest	869			248	1,117
Income (loss) from continuing operations	$ 7,770	$ 6,907	$ 5,970	$ (18,602)	$ 2,045
Income from continuing operations per share	$ 0.30				$ 0.08
Weighted average number of shares outstanding	26,316				26,316

Compass Diversified Holdings

Condensed Combined Pro Forma Statement of Operations
for the year ended December 31, 2006
(Unaudited)

	Compass Diversified Holdings as Reported	Fox (as reported)	Staffmark (as reported)	Pro Forma Adjustments	Pro Forma Combined Compass Diversified Holdings
			(in thousands)		
Net Sales	$ 410,873	$ 87,846	$ 624,484	$	$ 1,123,203
Cost of Sales	311,641	61,792	520,409	436	894,278
Gross profit	99,232	26,054	104,075	(436)	228,925
Operating expenses:					
Staffing Expense	34,345		54,270		88,615
Selling, general and administrative expense	36,732	17,450	29,829		84,011
Supplemental put expense	22,456				22,456
Fees to Manager	4,376			4,538	8,914
Research and development expense	1,806				1,806
Amortization expense	6,774			9,437	16,211
Operating income (loss)	(7,257)	8,604	19,976	(14,411)	6,912
Other income (expense):					
Interest income	807				807
Interest expense	(6,130)	(152)	(6,373)	(9,657)	(22,312)
Amortization of debt issuance costs	(779)			(783)	(1,562)
Loss on debt extinguishment	(8,275)				(8,275)
Other income (expense), net	541	58	(2,089)		(1,490)
Income (loss) from continuing operations before provision for income taxes and minority interest	(21,093)	8,510	11,514	(24,851)	(25,920)
Provision (benefits) for income taxes	5,298	(29)	134	1,300	6,703
Minority interest	1,245			332	1,577
Income (loss) from continuing operations	$ (27,636)	$ 8,539	$ 11,380	$ (26,483)	$ (34,200)
Income (loss) from continuing operations per share	$ (2.18)				$ (2.70)
Weighted average number of shares outstanding	12,686				12,686

Notes to Pro Forma Condensed Combined Financial Statements
(Unaudited)

This information in Note 1 provides all of the pro forma adjustments from each line item in the pro forma Condensed Combined Financial Statements. Note 2 describes how the adjustments were derived or calculated. Unless otherwise noted, all amounts are in thousands of dollars ($000).

Note 1. Pro Forma Adjustments

		At December 31, 2006		At September 30, 2007	
	Balance Sheet:				
1.	**Cash and cash equivalents**				
	Revolving credit borrowing to partially fund acquisition of Staffmark	$ 26,000	(a)	$ 26,000	(a)
	Use of cash to fund acquisitions of Fox and Staffmark	(171,300)	(b)	(171,300)	(b)
		$ (145,300)		$ (145,300)	
2.	**Property and equipment, net**				
	Fox	$ 2,493	(c)	$ 987	(c)
3.	**Goodwill**				
	Fox	$ 18,636	(c)	$ 14,278	(c)
	Staffmark	1,495	(d)	6,642	(d)
		$ 20,131		$ 20,920	
4.	**Intangible assets, net**				
	Fox	$ 57,300	(c)	$ 57,300	(c)
	Staffmark	26,122	(d)	26,146	(d)
		$ 83,422		$ 83,446	
5.	**Accrued expenses**				
	Staffmark	$ 5,000	(d)	$ 5,000	(d)
6.	**Current portion of debt**				
	Compass Diversified Holdings	$ 26,000	(a)	$ 26,000	(a)
	Fox	(184)	(c)	(2,387)	(c)
	Staffmark	(11,600)	(d)	(14,500)	(d)
		$ 14,216		$ 9,113	
7.	**Long-term debt**				
	Fox	$ (590)	(c)	$ (1,126)	(c)
	Staffmark	(83,572)	(d)	(69,725)	(d)
		$ (84,162)		$ (70,851)	
8.	**Minority interest**				
	Fox	$ 7,725	(c)	$ 7,725	(c)
	Staffmark	47,543	(d)	47,544	(d)
		$ 55,268		$ 55,269	
9.	**Total stockholders’ equity**				
	Fox	$ (15,922)	(c)	$ (19,047)	(c)
	Staffmark	(13,654)	(d)	(19,431)	(d)
		$ (29,576)		$ (38,478)	

Statement of Operations:

		Year Ended December 31, 2006		Nine Months Ended September 30, 2007	
1.	**Amortization expense**				
	Fox	$ 5,084	A(1)	$ 3,813	A(1)
	Staffmark	4,353	B (1)	3,265	B (1)
		$ 9,437		$ 7,078	
2.	**Depreciation expense**				
	Fox	$ 436	A(2)	$ 215	A(2)
3.	**Interest expense**				
	Staffmark	$ (6,373)	B(2)	$ (4,952)	B(2)
	Compass Diversified Holdings	16,030	D	12,022	D
		$ 9,657		$ 7,070	
4.	**Fees to manager**				
	Compass Diversified Holdings	$ 4,538	C	$ 3,404	C
5.	**Amortization of debt issuance cost**				
	Compass Diversified Holdings	$ 783	G	$ 587	G
6.	**Income tax expense**				
	Staffmark	$ 1,300	E	$ —	E
7	**Minority interest**				
	Compass Diversified Holdings	$ 332	F	$ 248	F

Note 2. Pro Forma Adjustments by Business

As a further illustration, we have grouped the pro forma adjustments detailed in Note 1 to the Pro Forma Condensed Financial Statements by each business to show the combine effect of the pro forma adjustments on each business.

Balance Sheet

	At December 31, 2006	At September 30, 2007
a. Reflects borrowings from the revolving credit facility to partially fund the Staffmark acquisition:		
Cash	$ 26,000	$ 26,000
Current portion of debt	(26,000)	(26,000)
	$ —	$ —
b. Reflect the use of cash for the acquisitions of Fox and Staffmark:		
Fox– see note c	$ (87,400)	$ (87,400)
Staffmark – see note d	(83,900)	(83,900)
	$ (171,300)	$ (171,300)

c. Fox Acquisition

The following information represents the pro forma adjustments made by us in Note 1 to reflect our acquisition of a 76.0% equity interest in and loans to Fox for a total cash investment of approximately $87.4 million. This investment of $87.4 million at December 31, 2006 was assigned to assets of $101.5 million, current liabilities of $6.4 million consisting of the historical carrying values for accounts payable and accrued expenses and $7.7 million to minority interest. The asset allocation represents $20.2 million of current assets valued at their historical carrying values, property and equipment of $5.4 million valued through a preliminary asset appraisal, $57.3 million of intangible assets and $18.6 million of goodwill representing the excess of the purchase price over identifiable assets.

This investment of $87.4 million at September 30, 2007 was assigned to assets of $106.4 million, current liabilities of $11.3 million consisting of the historical carrying values for accounts payable and accrued expenses and $7.7 million to minority interest. The asset allocation represents $29.3 million of current assets valued at their historical carrying values, property and equipment of $5.4 million valued through a preliminary purchase asset appraisal, $57.3 million of intangible assets and $14.4 million of goodwill representing the excess of the purchase price over identifiable assets

The preliminary intangible asset values at both December 31, 2006 and September 30, 2007 consist principally of customer relationships valued at $11.5 million, trade names valued at $13.3 million and core technology valued at $32.5 million.

The customer relationships were valued at $11.5 million using an excess earnings methodology, in which an asset is valuable to the extent that the asset enables its owner to earn a return in excess of the required returns on and of the other assets utilized in the business. Customer relationships were analyzed separately for the OEM and after market segments of the business.

The trade names were valued at $13.3 million using a royalty savings methodology, in which an asset is valuable to the extent that ownership of the asset relieves the company from the obligation of paying royalties for the benefits generated by the asset. The key assumptions in this analysis were a royalty rate equal to 1.5% of sales, a royalty sales base equal to 100% of Fox's total sales, a risk-adjusted discount rate of 13.5%, and an indefinite remaining useful life.

The core technology was valued at $32.5 million using a royalty savings methodology, in which an asset is valuable to the extent that ownership of the asset relieves the company from the obligation of paying royalties for the benefits generated by the asset. The key assumptions in this analysis were a royalty rate equal to 6.5% of sales, an initial royalty sales base equal to 100% of Fox's total sales, an obsolescence factor (reflecting the rate at which the utility of the core technology degrades relative to time) of 6.7% per annum, a risk-adjusted discount rate of 13.5%, and a remaining useful life of 8 years.

The value assigned to minority interest was derived from the equity value contributed by the minority holders at the time of acquisition.

1. Reflects (1) purchase accounting adjustments to reflect Fox's assets acquired and liabilities assumed at their estimated fair values, (2) redemption of existing debt of Fox and (3) elimination of Fox's historical shareholders' equity:

	At December 31, 2006	At September 30, 2007
Property and equipment	$ 2,493	$ 987
Goodwill	18,636	14,278
Intangible assets	57,300	57,300
Current portion of long-term debt	184	2,387
Long-term debt	590	1,126
Establishment of minority interest	(7,725)	(7,725)
Elimination of historical shareholders' equity	15,922	19,047
Cash used to fund acquisition	$ 87,400	$ 87,400

d. Staffmark Acquisition

The following information represents the pro forma adjustments made by us in Note 1 to reflect the acquisition by our subsidiary CBS Personnel Holdings, Inc ("CBS") to acquire Staffmark for a total cash investment of approximately $83.9 million. This investment of $83.9 million at December 31, 2006 was assigned to assets of $203.6 million, current liabilities of $52.5 million consisting largely of the historical carrying values for accounts payable and accrued expenses, $19.3 million of other non current liabilities consisting primarily of workers' compensation reserves and $47.9 million to minority interest. The asset allocation represents $81.4 million of current assets valued at their historical carrying values, property and equipment of $3.7 million valued through a preliminary asset appraisal, $51.7 million of intangible assets, $0.9 million of other assets and $65.8 million of goodwill representing the excess of the purchase price over identifiable assets.

This investment of $83.9 million at September 30, 2007 was assigned to assets of $206.4 million, current liabilities of $55.1 million consisting of the historical carrying values for accounts payable and accrued expenses, $19.5 million of other non current liabilities consisting primarily of workers' compensation reserves and $47.9 million to minority interest. The asset allocation represents $79.5 million of current assets valued at their historical carrying values, property and equipment of $3.2 million valued through a preliminary purchase asset appraisal, $51.7 million of intangible assets, $0.9 million of other assets and $71.0 million of goodwill representing the excess of the purchase price over identifiable assets.

The preliminary intangible asset values at both December 31, 2006 and September 30, 2007 consist principally of customer relationships valued at $25.0 million; trademarks valued at $25.6 million and non-compete covenants of $1.1 million.

The customer relationships were valued at $25.0 million using an excess earnings methodology, in which an asset is valuable to the extent that the asset enables its owner to earn a return in excess of the required returns on and of the other assets utilized in the business. Customer relationships were analyzed separately for the retail, transportation, output solutions and executive search segments of the business.

The trade names were valued at $25.0 million using a royalty savings methodology, in which an asset is valuable to the extent that ownership of the asset relieves the company from the obligation of paying royalties for the benefits generated by the asset. The key assumptions in this analysis were a royalty rate equal to 0.8% of sales, a royalty sales base equal to 100% of Staffmark's total sales, a risk-adjusted discount rate of 15.2% and a remaining useful life of 15 years.

The non-compete agreements were valued in aggregate (for two Staffmark executives) at $1.1 million.

The value assigned to minority interest was derived from the equity value of the shares of CBS issued to the minority holders at the time of acquisition.

1. Reflects (1) purchase accounting adjustments to reflect Staffmark's assets acquired and liabilities assumed at their estimated fair values, (2) redemption of existing debt of Staffmark and (3) elimination of Staffmark's historical shareholders' equity:

	At December 31, 2006	At September 30, 2007
Goodwill	$ 1,495	$ 6,642
Intangible assets	26,122	26,146
Accrued expenses	(5,000)	(5,000)
Current portion of long-term debt	11,600	14,500
Long-term debt	83,572	69,725
Elimination of historical minority interest	357	356
Establishment of minority interest	(47,900)	(47,900)
Elimination of historical shareholders' equity	13,654	19,431
Cash used to fund acquisition	$ 83,900	$ 83,900

Statement of Operations:

	Year Ended December 31, 2006	Nine Months Ended September 30, 2007
A. The following entries represent the pro forma adjustments made by us in Note 1 to reflect the effect of our acquisition of Fox upon the results of their operations for the year ended December 31, 2006 and for nine months ended September 30, 2007 as if we had acquired Fox on January 1, 2006:		
1. Additional amortization expense of intangible assets resulting from the acquisition of Fox:		
Customer relationship – OEM of $7,700 which will be amortized over 12 years	$ 642	$ 482
Customer relationship – after market of $3,800 which will be amortized over 10 years	380	285
Core technology of $32,500 which will be amortized over 8 years	4,062	3,046
Total	$ 5,084	$ 3,813
2. Additional depreciation expense resulting from the acquisition of Fox	$ 436	$ 215
B. The following entries represent the pro forma adjustments made by us in Note 1 to reflect the effect of our acquisition of Staffmark upon the results of their operations for the year ended December 31, 2006 and for the nine months ended September 30, 2007 as if we had acquired Staffmark on January 1, 2006:		
1. Additional amortization expense of intangible assets resulting from the acquisition of Staffmark:		
Customer relationships retail of $13,820 which will be amortized over 8 years	$ 1,728	$ 1,296
Customer relationships - - transportation of $4,920 which will be amortized over 20 years	246	184
Customer relationships – output solutions of $5,860 which will be amortized over 20 years	293	220
Customer relationship – executive search of $380 which will be amortized over 20 years	19	14
Total	$ 2,286	$ 1,174

		Year Ended December 31, 2006	Nine Months Ended September 30, 2007
	Trademarks of $25,630 which will be amortized over 15 years	$ 1,709	$ 1,282
	Non-compete agreement of $1,075 which will be amortized over 3 years	$ 358	$ 269
	Total amortization	$ 4,353	$ 3,265
2.	Reduction of interest expense with respect to debt redeemed in connection with acquisition of Staffmark	$ (6,373)	$ (4,952)
C.	Adjustment to record the additional estimated management fee expense pursuant to the Management Services Agreement to be incurred in connection with the acquisition of Fox and Staffmark		
	Net purchase price of Fox	$ 87,400	$ 87,400
	Net purchase price of Staffmark	83,900	83,900
	Minority interest of Fox	7,725	7,725
	Minority Interest of Staffmark	47,900	47,900
	Additional net assets	226,925	226,925
	Management fee %	2.0%	1.5%
		$ 4,538	$ 3,404
D.	Adjustment to record interest expense:		
	Interest expense on $150 million term loan at an assumed 8.5% interest rate	$ 12,750	$ 9,562
	Interest expense on $26 million of revolving borrowings at an assumed 8.0% interest rate	2,080	1,560
	Letter of credit fee and other	1,200	900
		$ 16,030	$ 12,022
E.	Adjustment to record tax expense:		
	Tax expense on pro forma net income applicable to Staffmark due to change in structure from a limited liability company to a corporation	$ 1,300	$ —
F.	Adjustment to record the minority interest in net income:		
	The adjustment for minority interest was calculated by applying the minority ownership percentage for Fox and Staffmark to the net income applicable to the minority interest holders	$ 332	$ 248
G.	Adjustment to record amortization of debt issuance cost:		
	$4.7 million of debt issuance cost to be amortized over 6 years	$ 783	$ 587